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Featuring: ▶ Crop Production ▶ Dairy Products
 ▶ Cash Receipts ▶ Farm Computer Usage

KENTUCKY FARMERS EXPECTING SMALLER CROP PRODUCTION

U.S. HIGHLIGHTS

Corn production was forecast at 13.3 billion bushels, up 2 percent from last month and 26 percent above 2006. Production would be the largest on record as growers expect to harvest the most corn acres for grain since 1933.

Corn yields were expected to average 155.8 bushels per acre, up 3.0 bushels from August and 6.7 bushels above last year. If realized this would be the second highest yield on record, behind the 160.4 bushel yield in 2004.

Soybean production was forecast at 2.62 billion bushels, down slightly from the August forecast and down 18 percent from last year's record high.

Soybean yields were expected to average 41.4 bushels per acre, down 0.1 bushel from last month and down 1.3 bushels from last year.

Production in the **Burley producing States** totaled 197.5 million pounds, down 6 percent from the August forecast and 9 percent below last year.

KENTUCKY

Crop prospects generally deteriorated during August due to dry soil conditions and hot weather. Corn yields held steady while soybean and tobacco yields decreased. Corn harvested for grain was almost one-quarter complete by September 1 while burley tobacco cutting and housing was over 50 percent finished.

Corn for grain production was forecast on September 1 at 160.8 million bushels, unchanged from the August 1 estimate and up 6 percent from the 2006 production. The larger 2007 production was due to an increase in harvested acreage as yield per acre was lower. Harvested for grain acreage at 1.34 million acres was up 300,000 acres from 2006 and would be the largest corn crop in 21 years. Yield per acre was forecast at 120 bushels per acre, unchanged

from August while down 26 bushels from last year. In some areas of Kentucky the corn yield was cut in half by dry conditions while in other areas adequate rainfall produced good yields. As of September 2, 96 percent of the crop was in the dent stage, 81 percent of the crop was mature and 23 percent had been harvested. Harvesting of the 2007 corn crop was ahead of 2006 and the five year average.

Kentucky soybean production was forecast at 34.2 million bushels, down 21 percent from the August 1 forecast and 43 percent from the 2006 crop. The smaller 2007 crop was the result of both fewer acres harvested and a lower yield. Harvested acreage at 1.14 million acres was down 230,000 acres from a large 2006 crop. Soybean yield per acre was estimated at 30 bushels per acre, down 8 bushels from August 1. Soybeans development (setting pods, turning yellow and shedding leaves) was ahead of both last year and the five-year average. The lack of precipitation during the critical weeks of pod-filling has resulted in a poor crop. Many second crop soybeans fields, planted following the wheat harvest, will yield very poorly. Poor yielding fields, both full season and second crop, may be cut for hay.

Burley tobacco production was forecast at 146.3 million pounds, a decrease of 5 percent from the August forecast and last year's production. Acreage for cutting and housing was up 4,000 acres from the 2006 crop at 77,000 acres. Burley tobacco yield at 1,900 pounds per acre was down 100 pounds from the August estimate. A hot and dry August severely limited tobacco growth. Crops not mature by early August were unable to add additional leaf weight. Most good yielding tobacco matured early or was grown on irrigated acreage. Blue mold detected during the growing season was limited by dry weather conditions while some black shank has been reported.

Kentucky dark fire-cured tobacco was estimated at 19.5 million pounds, down 12 percent from the August forecast and 10 percent from the 2006 crop. **Dark air-cured tobacco** was estimated at 10.8 million pounds, down 4 percent from August and 8 percent from last year.

CROP PRODUCTION

CROP SUMMARY, SEPTEMBER 1 KENTUCKY AND UNITED STATES, 2006 – 2007

CROPS	UNIT	ACREAGE HARVESTED		YIELD PER ACRE		PRODUCTION		
		2006	2007	2006	2007	2006	2007	
			Indicated		Indicated		Indicated	% of '06
(Thousand)				(Thousand)				
KENTUCKY								
Corn for Grain	Bu.	1,040	1,340	146.0	120.0	151,840	160,800	106
Soybeans for Beans	Bu.	1,370	1,140	44.0	30.0	60,280	34,200	57
Tobacco:								
All	Lbs.	83.00	87.50	2,250	2,011	186,780	176,600	95
Burley	Lbs.	73.00	77.00	2,100	1,900	153,300	146,300	95
Dark Fire-Cured	Lbs.	6.20	6.50	3,500	3,000	21,700	19,500	90
Dark Air-Cured	Lbs.	3.80	4.00	3,100	2,700	11,780	10,800	92
All Wheat 1/	Bu.	320	240	71.0	51.0	22,720	12,240	54
UNITED STATES								
Corn for Grain	Bu.	70,648	85,418	149.1	155.8	10,534,868	13,307,999	126
Soybeans for Beans	Bu.	74,602	63,265	42.7	41.4	3,188,247	2,618,796	82
Sorghum for Grain	Bu.	4,937	6,698	56.2	73.9	277,538	494,750	178
Tobacco:								
All	Lbs.	338.90	355.07	2,144	2,023	726,644	718,375	99
Burley	Lbs.	103.60	105.20	2,095	1,878	217,085	197,540	91
Dark Fire-Cured	Lbs.	11.85	13.30	3,324	2,826	39,392	37,580	95
Dark Air-Cured	Lbs.	4.30	4.65	3,059	2,644	13,155	12,295	93
All Wheat 1/	Bu.	46,810	52,084	38.7	40.6	1,812,036	2,114,024	117

1/Estimates for current year carried forward from earlier forecast.

KENTUCKY COTTAGE CHEESE PRODUCTION 2004 - 2006 ^{1/}

PRODUCT	2004	2005	2006
(000) Pounds			
Cottage Cheese Curd	11,751	13,455	13,976
Creamed Cottage Cheese	12,410	14,294	15,152
Lowfat Cottage Cheese	9,023	10,911	11,058

1/Data on other types of dairy products not published to avoid disclosure of individual operations.

CASH RECEIPTS HIGHLIGHTS – 2006

Six Kentucky counties (Woodford, Fayette, Graves, Bourbon, Christian and Webster) had cash receipts above \$100 million during 2006. Sales of horses and stud fees accounted for most of the cash receipts for Woodford, Fayette and Bourbon while poultry was the largest source of cash receipts in Graves and Webster counties. Corn was the largest source of cash receipts for Christian county. Sixteen additional Kentucky counties had cash receipts above \$50 million for 2006.

Horse sales, including stud fees, continued to be the cash receipt's leader for Kentucky with \$1.11 billion. Receipts were up \$100.0 million from the 2005 level. All poultry continued second with \$710.7 million in receipts, down 13 percent from 2005. Broiler receipts totaled \$604.0 million. Cattle and calves' sales were third with \$607.8 million. Corn was fourth with \$339.3 million.

Livestock made up 68 percent of total cash receipts for 2006. Sales of horses and stud fees were 41 percent of livestock and livestock products receipts during 2006. All poultry made up 26 percent of the livestock receipts with cattle and calves accounting for 22 percent of the livestock total.

Crops made up 32 percent of Kentucky's total cash receipts for 2006. Corn sales accounted for 26 percent of total crop receipts with both soybeans and tobacco making up 25 percent.

Top Cash Receipt Counties by Commodity - 2006

Horses	- Woodford	Corn	- Union
Broilers	- Graves	Soybeans	- Daviess
Cattle	- Barren	Tobacco	- Christian
Dairy	- Barren	All Hay	- Pulaski
		Wheat	- Christian

KENTUCKY CASH RECEIPTS FROM FARM MARKETINGS, 2004 – 2006

COMMODITY	2004 <u>1/</u>	2005 <u>1/</u>	2006	2006 % of Total	2006 % of 2005
(1,000 Dollars)					
<u>LIVESTOCK PRODUCTS 2/</u>	2,738,689	2,707,855	2,707,984	67.6	100
Cattle & Calves	620,650	568,711	607,796	15.2	107
Dairy Products	236,640	217,080	179,060	4.5	82
Hogs	104,513	87,449	89,754	2.2	103
Wool	42	60	3/	--	--
Broilers	690,932	704,297	604,010	15.1	86
Eggs	88,099	72,568	73,156	1.8	101
Other Poultry	37,581	36,932	33,485	0.8	91
Horses & Mules <u>4/</u>	950,000	1,010,000	1,110,000	27.7	110
Honey	549	520	616	--	118
Catfish	1,151	887	849	--	96
Other Livestock Products <u>5/</u>	8,532	9,351	9,258	0.2	99
<u>CROPS 2/ 6/</u>	1,388,174	1,273,651	1,299,218	32.4	102
Tobacco	421,694	350,849	319,655	8.0	91
Corn	338,629	320,759	339,260	8.5	106
Soybeans	347,369	330,049	325,729	8.1	99
Wheat	73,361	64,711	85,394	2.1	132
Barley	1,156	1,545	2,478	0.1	160
Hay	90,296	91,007	106,042	2.6	117
Sorghum Grain	3,584	3,046	4,286	0.1	141
Vegetables	18,000	19,000	20,250	0.5	107
Apples	2,439	2,162	1,976	--	91
Peaches	968	650	1,260	--	194
Other Fruits, Nuts & Berries	3,263	3,496	3,970	0.1	114
Floriculture	40,005	43,679	7/	--	--
Greenhouse, Nursery, Sod & Christmas Trees	41,011	35,670	81,230	2.0	228
Other Crops <u>8/</u>	6,399	7,028	7,688	0.2	109
<u>ALL COMMODITIES 2/</u>	4,126,863	3,981,506	4,007,201	100.0	101

-- Indicates less than .05%. Percent may not be accurate to .1 because of method of machine computation. NA-Not Available.
1/Revised. 2/May not add due to rounding. 3/Included in all other livestock. 4/Includes stud fees. 5/Includes goats, sheep and lambs, rabbits, bison and all other livestock. 6/Forest products not included in farm cash receipts, but are included in net farm income. 7/Floriculture was not estimated in 2006. Included in Greenhouse, Nursery, Sod & Christmas Trees. 8/Includes popcorn, sunflowers, other seeds, other field crops and mushrooms.

Farm Computer Usage: 2005 and 2007 1/

State	Farms							
	With Computer Access		That Own or Lease Computers		Using Computers for Farm Business		With Internet Access	
	2005	2007	2005	2007	2005	2007	2005	2007
Percent								
IL	64	64	60	61	40	40	56	55
IN	58	64	56	62	35	38	51	58
KY	36	50	34	45	17	24	30	39
MO	55	56	50	54	30	29	45	50
OH	56	56	53	54	29	32	46	52
TN	55	60	45	48	20	24	45	52
VA	65	65	60	60	28	28	55	55
US <u>2/</u>	59	63	55	59	32	35	51	55

1/Source of data for farm computer usage and ownership was the June Agricultural Survey. The survey is conducted each year to provide estimates of farm numbers and land in farms, crop acres planted, grains and oilseeds in storage, livestock inventories and land values. 2/Excludes Alaska and Hawaii.

Use of Internet and Internet Access of Reports and Services: 2005 and 2007

State	Farms							
	Purchase Agric. Inputs Over Internet <u>1/</u>		Conduct Agric. Marketing Activities Over Internet <u>2/</u>		Access USDA/NASS Reports Over Internet <u>3/</u>		Access Other USDA Reports/Services <u>3/</u>	
	2005	2007	2005	2007	2005	2007	2005	2007
	Percent							
IL	8	10	13	14	9	11	17	16
IN	10	14	9	18	5	7	11	13
KY	7	8	4	6	2	3	5	7
MO	6	7	8	5	4	5	10	10
OH	9	12	11	11	5	3	8	8
TN	6	7	5	7	5	5	8	8
VA	13	13	8	7	4	4	9	8
US <u>4/</u>	9	11	9	10	5	6	11	11

1/Agricultural inputs include seed, fertilizer, chemicals, veterinarian supplies, feed, machinery, replacement parts, farm supplies, office equipment, etc. 2/Agricultural marketing activities include direct sales of commodities, on-line crop and livestock auctions, on-line market advisory services, commodity price tracking, etc. 3/Reference period for access and usage of USDA reports, research information, and services is the last 12 months prior to June 1 of survey year. 4/Excludes Alaska and Hawaii.

Primary Method of Internet Access: 2007 1/

State	Dialup	DSL	Cable	Satellite	Wireless	Other/Unknown
	Percent					
IL	46	20	4	9	17	4
IN	54	19	7	8	10	2
KY	40	32	8	12	3	5
MO	55	31	2	5	3	4
OH	52	20	10	6	7	5
TN	62	13	8	3	1	13
VA	65	17	8	7	3	0
US <u>2/</u>	47	27	7	7	7	5

1/Primary method of internet access for those operators who have access to the internet. 2/Excludes Alaska and Hawaii.

Internet Access: Data including this report are available free of charge on our Internet homepage located at <http://www.nass.usda.gov/ky>. Links to the Kentucky Department of Agriculture, the University of Kentucky Agricultural Weather Center and other web sites related to Kentucky Agriculture are also included. National & State reports and data are available on the USDA, National Agricultural Statistics Service homepage located at <http://www.usda.gov/nass/>